

WHY SOUTHWEST *Minnesota*

A GREAT PLACE TO LIVE, WORK AND DO BUSINESS

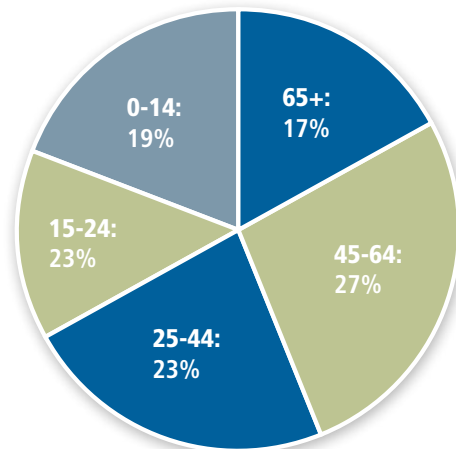


Why Southwest Minnesota?

Southwest Minnesota is a 27-county region with its own distinct economic advantages. It is a national leader in agricultural production, renewable energy, and is on the cusp of cutting-edge isobutanol chemical manufacturing.

With the availability of a quality, low-cost workforce, access to numerous colleges and universities, strong transportation infrastructure, and quick access to Twin Cities markets, southwest Minnesota is a great place to locate your business!

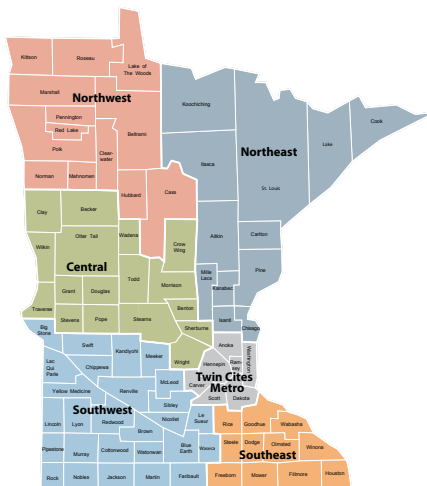
Southwest Minnesota Population Distribution



Source: US Census, American Community Survey, 2013 5-Year Data

Southwest Minnesota Demographic Profile

- Population: 512,183
- Working Age Population (18-64 years): 307,256
- Median Hourly Wage for All Employees: \$15.03
- Unemployment Rate, June 2014: 3.9% (Compared to 6.3% Nationally)



MINNESOTA BUSINESS COMMUNITY DEVELOPMENT REGIONS

Key Cities in Southwest Minnesota

| City | Population | County |
|---------------|------------|------------|
| Mankato | 39,309 | Blue Earth |
| Willmar | 19,610 | Kandiyohi |
| Hutchinson | 14,178 | McLeod |
| Marshall | 13,680 | Lyon |
| New Ulm | 13,522 | Brown |
| North Mankato | 13,394 | Nicollet |
| Worthington | 12,764 | Nobles |
| St. Peter | 11,196 | Nicollet |
| Fairmont | 10,666 | Martin |
| Waseca | 9,410 | Waseca |
| Litchfield | 6,726 | Meeker |

Source: 2010 U.S. Census

Diverse Employment Base and High Quality, Available Workforce



Key Employers in Region

| | |
|------------------------------|------------------------------------|
| 3M | AGCO |
| JBS Swift | Jennie-O-Turkey |
| Southern MN Beet Sugar Co-op | Taylor Corporation |
| Brown Printing | Minnesota State University-Mankato |
| Schwan Food Company | Seneca Foods |
| Carlson Craft | MRCI Industrial |
| Verizon Wireless | Mayo Health Systems |
| Case New Holland | Toro |
| CHS | Kraft Foods |

- Nearly one in every five jobs in southwest Minnesota is in manufacturing. The top five manufacturing industries account for more than 70 percent of all manufacturing employment in the region.
- Southwest Minnesota's employment base encompasses a range of diverse industries: food manufacturing, executive and legislative government, machinery and print manufacturing, and nursing and residential care facilities.
- Key employers (above) create distinguishing industries (right) and contribute to southwest Minnesota's diverse employment base, particularly in manufacturing: food manufacturing (Schwan Food Company, Kraft Foods, Seneca Foods), machinery and print manufacturing (Brown Printing and Carlson Craft), animal slaughtering and processing (Jennie-O-Turkey), and other general purpose machinery manufacturing (Toro).

Top Manufacturing Employment Industries in Southwest Minnesota

| Industry | Employment | Average Annual Wage |
|---|------------|---------------------|
| Animal Slaughtering and Processing | 5,373 | \$36,868 |
| Machinery Manufacturing | 4,932 | \$46,696 |
| Printing and Related Support Activities | 4,206 | \$39,000 |
| Fabricated Metal Product Manufacturing | 3,562 | \$43,264 |
| Computer and Electronic Product Manufacturing | 3,190 | \$47,008 |
| Agriculture, Construction, and Mining Machinery Manufacturing | 3,079 | \$50,440 |
| Manufacturing | 41,783 | \$43,680 |
| All Industries | 173,964 | \$35,516 |

Source: MN DEED, Quarterly Census of Employment and Wages, Q3 2013

Agriculture Industry Snapshot

- 25,670 of the 80,992 farms in Minnesota are in the 27-county region.
- Total market value of agricultural products sold from the region is more than \$6.5 billion.
- 49.5 percent of the total market value of agricultural products sold in the state is from the region.
- More than 693 million bushels of corn were produced in the region in 2011.
- Nearly 141 million bushels of soybeans were produced in southwest Minnesota in 2011.
- More than 10 million turkeys were raised in the region.
- More than 5.5 million hogs and pigs were raised in the region.

Source: United States Dept. of Agriculture

Top Distinguishing Industries

| Industry | Employment | Location Quotient* |
|---|------------|--------------------|
| Agriculture, Construction, & Mining Machinery Manufacturing | 3,079 | 7.42 |
| Animal Slaughtering and Processing | 5,373 | 6.75 |
| Grain and Oilseed Milling | 574 | 5.79 |
| Dairy Product Manufacturing | 1,284 | 5.77 |
| Printing and Related Support Activities | 4,206 | 5.61 |
| Animal Food Manufacturing | 477 | 5.40 |
| Machinery Manufacturing | 4,932 | 2.69 |
| Nonmetallic Mineral Product Manufacturing | 1,401 | 2.28 |
| Natural Resources and Mining | 7,290 | 2.17 |

Source: MN DEED, Quarterly Census of Employment and Wages, Q3 2013

*A location quotient greater than one indicates a relative sector employment in Southwest Minnesota greater than the national average for that sector.

Unique Regional Facts

- Two of the largest soybean processing plants in the U.S. are located in Mankato -- ADM and CHS. Primary products produced are refined soybean oil for cooking oil, oils for shortening and margarine, frying oil, low trans-fat products, candle wax and soybean meal.
- This region contains some of the state's major producers and integrators in the swine industry, several major feed processors and equipment manufacturers and some of the largest veterinarian clinics in the upper Midwest.
- The city of Olivia has the highest concentration of seed research and processing companies in the world, earning its designation by the Minnesota Legislature as the state's

Your firm can tap into Minnesota's large pool of skilled workers and be assured of a growing supply of potential hires.

“Corn Capital.” Some of the prominent companies with facilities in Olivia include: ADM Edible Bean Specialties, BASF Plant Science, Corn Capital Innovations, Dow AgroSciences, DuPont Pioneer, Hefty Seed, Mertec LLC, Monsanto and its DeKalb corn research facility, Mycogen Seeds, Pannar Genetics, Precision Soya, Remington Seeds, Renk Seed, Thurston Genetics and Thurston Inc.

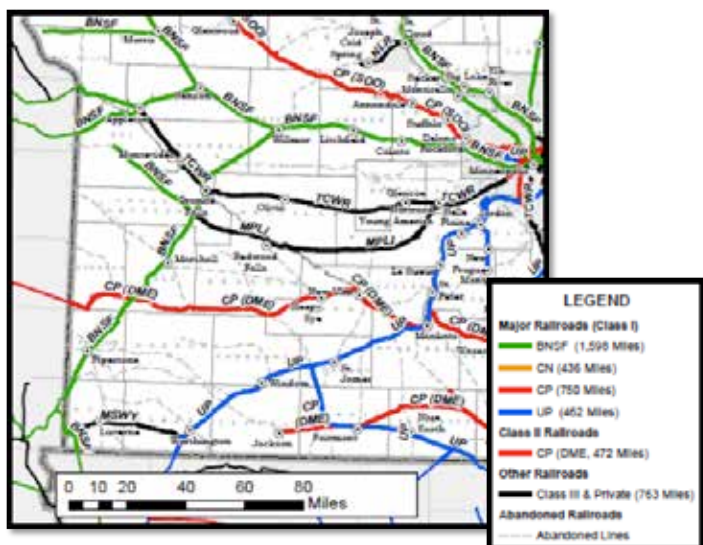
- Two of the country’s largest companies are located in the region. Schwan Food and Rosen’s Diversified

Isobutanol and Ethanol Production

- In December 2011, Butamax announced that Highwater Ethanol would be its first entrant to the Butamax Early Adopters Group. Granite Falls Energy, LLC in Granite Falls was added to the Group in June 2012. The Early Adopters Group is comprised of industry early-adopters of Butamax biobutanol technology.
- Ethanol and isobutanol producers will find a higher supply of corn crop in southwest Minnesota than any other region in the state. 56.3 percent of all estimated harvested corn acreage in Minnesota is in southwest Minnesota.



Transportation Infrastructure



- Railway routes in southwest Minnesota provide easy access to ports in the Twin Cities and nationally, providing seamless transportation of freight and easy access to export markets.

Higher Education

- With more than 36,000 students enrolled in 13 university campuses across the region, southwest Minnesota has an abundance of higher educational facilities for training the local workforce.

Colleges and Universities in Southwest Minnesota

| School | Campus Location | 2013 Enrollment |
|--|---|-----------------|
| Minnesota State University, Mankato | Mankato | 15,426 |
| Southwest State University | Marshall | 6,917 |
| South Central College | North Mankato | 3,410 |
| Minnesota West Community and Technical College | Canby, Granite Falls, Jackson, Pipestone, Worthington | 3,231 |
| Gustavus Adolphus College | St. Peter | 2,462 |
| Martin Luther College | New Ulm | 824 |
| Bethany Lutheran Colleges | Mankato | 579 |
| Ridgewater College | Wilmar, Hutchinson | 3,766 |

Source: Minnesota Office of Higher Education

Mankato-North Mankato Metropolitan Statistical Area Snapshot:

With a population of nearly 97,000, the Mankato-North Mankato MSA is the region’s premiere location for shopping, employment and quality of life. The region’s GDP has increased 47 percent from 2001 to 2010, led by steady increases in government, manufacturing, wholesale trade, and real estate rental and leasing sectors.

Recently, Mankato ranked:

- 15th in the nation on the Forbes list of best places to raise a family (2010).
- 3rd in the nation on Forbes 2014 list of Best Small Places for Business and Careers among metropolitan areas with populations fewer than 250,000.
- One of ten “dream towns” identified by BizJournals.
- 2010 Population: 96,740



The region’s higher education sector and transportation infrastructure are perfect complements to any business.

Businesses Grow Here: Key Business Expansion Projects in the Past Year

- **Jackson-based Full Tilt Performance** announced a 13,500 square foot expansion of its manufacturing facility, which will enable the hiring of two additional employees. The company retrofits vehicle components to improve fuel efficiency.
- **TSE Inc.** completed a \$1.6 Million, 12,500 square foot expansion of its manufacturing facility in Jackson. TSE manufactures wiring components for the medical device industry. The expansion is expected to create 35 new jobs on site.
- Long distance hauling and logistics firm **Volk Transfer** completed a 19,000 square foot expansion of its Mankato facility. The project added significant new warehouse space and several loading docks and is expected to support five new permanent jobs on site.
- **AGP Inc.**, a farmer-owned soy and corn processing cooperative, announced plans to build an expanded production line at its existing facility in Dawson. The company's AminoPlus product line - a soy by-pass feed - to be produced at the site will serve the growing number of large dairy operations in the surrounding region.
- International farm implement manufacturer **Agco** is planning a new round of expansions over three years. The company will spend a total of \$42 Million on its Jackson facility, adding 75 new jobs by 2015. The 2013 phase of the project involved a 30,000-square-foot expansion of the component manufacturing area which increased capacity by 20%.
- **Brau Brothers Brewery** completed a move and expansion from Lucan to Marshall. The brewery's new location in a 37,000 square foot building has already added 20 employees since the move and plans to hire 8 more.
- **Action Manufacturing** is expanding its manufacturing facility in Marshall. The expansion is expected to create 10 new jobs on site in addition to the company's existing 13 employees. Action produces off-road wheelchairs.
- **United Commercial Upholstery** purchased a 36,000 square foot facility in New Ulm and is completing a 5,000 square foot expansion. UCU manufactures boat seat and golf cart seat covers.
- **Zinniel Boring** is in the process of constructing a 10,000 square foot facility in New Ulm. Zinniel is a contracting company that specializes in horizontal drilling and telecom infrastructure installation.
- **Frontier Labs**, based in Clear Lake, Iowa, is expanding its soil testing laboratory in New Ulm. The project will add 10,000 square feet to the company's existing facility.
- **Fedex** closed on a land purchase and plans to begin construction on a distribution facility in Mankato. The 91,000 square foot facility will be built in the city's Eastwood Energy Center and will serve as a regional hub for Fedex.
- **Verizon Wireless** plans added more than 160 new positions at its call center in Mankato. The hiring is in response to increases in call volume and will increase the total employment on site by about one third.
- Kentucky-based **Bluegrass Proteins** will be expanding to Dawson in La Qui Parle County. The company plans to create 56 new full-time, permanent jobs and invest about \$18.2 million in a facility that will dry whey to produce proteins and permeates as a food additive.

Source: MN DEED, Quarterly Business Expansions Report

SOUTHWEST MINNESOTA: A GREAT PLACE TO LIVE, WORK AND DO BUSINESS



For site location assistance and information on the benefits of doing business in Minnesota, contact the Office of Business Development:

651-259-7432

Economic.development@state.mn.us

mn.gov/deed/locating

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